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Statement submitted by International Peace Research Association, a non-governmental organization in consultative status with the Economic and Social Council

The Secretary-General has received the following statement, which is being circulated in accordance with paragraphs 30 and 31 of Economic and Social Council resolution 1996/31.

* E/2010/100.

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Statement

Integrating financing for development and climate justice

If the Development Cooperation Forum wants to take a bold step in its consideration of the theme "Development cooperation in times of crises: new commitments to reach the Millennium Development Goals", it should consider using a transformed, namely, carbon-based international monetary system as a way to integrate financing for development and climate justice. Financing for development and specifically for the Millennium Development Goals cannot realistically be accomplished without including financing for climate justice. Development in this carbon-constrained world is heavily impacted by climate change in all its sectors, particularly in agriculture.

The Tierra Fee and Dividend system is an innovative and bold way of including financing for climate justice in an inclusive United Nations financing framework for the Millennium Development Goals. Including both types of financing into one approach can be initially realized by transforming the global reserve system by basing it on the decarbonization monetary standard of the Tierra Fee and Dividend system.

The Monterrey Consensus of 2002 and the Doha Declaration of 2008 are examples of financing cooperation, though they will not be very effective for accomplishing the Millennium Development Goals because pledges are often not fully fulfilled and the financing of the climate impacts of the Millennium Development Goals is not included. As financing also has to be predictable in order to be effective, the institutional framework as proposed in the Tierra Fee and Dividend system is a transformational step forward. Its modified balance-of-payments mechanism to adjust both global financial and ecological imbalances provides such integrated framework. A nation's balance of payments would have a carbon account added to its current account and its capital account, so that its balance of payments would accurately reflect its carbon and financial debts and credits.

Fully inclusive, simultaneous and deeper financing for development and climate justice cannot be accomplished without taking the bold step of transforming an international monetary system that would create additional liquidity. This can be done during the first phase of the Tierra Fee and Dividend system by having the carbon-based international reserve currency of Tierra replace the annual $100 billion reserves that are being held by developing countries. Thus, these billions would be freed up for domestic consumption and investment, including for financing for the Millennium Development Goals.

In order for this monetary transformation to happen, several organizations are working towards implementation of the General Assembly resolution that would establish a United Nations commission on monetary transformation and the climate crisis, which would consider the feasibility of integrating finance for development and climate justice, including the feasibility of the Tierra system.